

**154.45-050 Number of enterprise zones limited -- Preferred areas -- Effect of revocation -- Retention of certification and eligibility for tax exemption after removal of designation. (Effective until December 31, 2007)**

- (1) In addition to the seven (7) existing state enterprise zones, the authority may designate three (3) additional state enterprise zones by December 31, 1988. In deciding which areas should be designated as enterprise zones the authority shall give preference to:
  - (a) Local governments that have documented the greatest commitment to the goals of the Enterprise Zone Program;
  - (b) Areas with the highest levels of poverty, unemployment, and general distress; and
  - (c) Areas that have the greatest support from the local government seeking designation, the community, residents, local business, and private organizations, taking into account the resources available to the local government.
- (2) Designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of designation and ending on December 31 of the twentieth year following designation.
- (3) The authority shall remove the designation of an area as an enterprise zone if the area no longer meets the criteria for average rate of unemployment, population density, chronic abandonment or demolition of commercial or residential structures, and pervasive poverty or no longer meets criteria set forth in administrative regulations adopted by the authority. The authority shall establish by administrative regulation a procedure for revocation of the designation of an enterprise zone. The authority shall ensure that local governments shall be notified in writing of the authority's intent and reasons for considering revocation of the designation. The authority shall establish a reasonable time frame within which the local government may correct the problems cited by the authority to avoid revocation of the enterprise zone designation.
- (4) A local government that has had an enterprise zone designation revoked shall be prohibited from applying for future enterprise zone designations for at least five (5) years. The authority may, by administrative regulation, extend the time frame that a local government is prohibited from participating in the enterprise zone program.
- (5) If the authority revokes the designation of an enterprise zone, it shall immediately begin reviewing the applications of local governments seeking an enterprise zone and designate a new area as an enterprise zone as soon as possible.
- (6) If the authority removes the designation of an area as an enterprise zone pursuant to this section, the qualified businesses within the area shall retain certification and shall remain eligible to receive tax exemptions pursuant to KRS 154.45-090 until December 31 of the twentieth year from the date of the original designation of the area as an enterprise zone.

**Effective:** March 18, 2005

**History:** Amended 2005 Ky. Acts ch. 168, sec. 49, effective March 18, 2005. -- Amended 1992 Ky. Acts ch. 35, sec. 6, effective July 14, 1992. -- Amended 1986 Ky. Acts ch. 30, sec. 5, effective July 15, 1986. -- Created 1982 Ky. Acts ch. 131, sec. 5, effective July 15, 1982.

**Formerly codified as** KRS 154.670

**Legislative Research Commission Note** (3/18/2005). 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.

**Legislative Research Commission Note** (3/18/2005). Ky. Acts ch. 168, sec. 159, has repealed this statute effective December 31, 2007.

**2004-2006 Budget Reference.** See 2005 Ky. Acts ch. 184, sec. 8, at 3260; and Final Budget Memorandum, at 56.